

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA

IN RE:

ALDEN H. ZUHLKE and

LISA A. ZUHLKE,

Debtors.

Case No. BK 24-40267-BSK  
(Chapter 7)

DECLARATION IN SUPPORT OF  
APPLICATION TO EMPLOY CLINE  
WILLIAMS WRIGHT JOHNSON &  
OLDFATHER, LLP AS SPECIAL  
COUNSEL TO THE CHAPTER 7  
TRUSTEE

COMES NOW Richard P. Garden, Jr. and states as follows in support of the Chapter 7 Trustee's application to employ Cline, Williams, Wright, Johnson & Oldfather L.L.P. ("Cline Williams") as special counsel for the Chapter 7 Trustee (the "Application").

1. I am a partner in the law firm of Cline, Williams, Wright, Johnson & Oldfather L.L.P. ("Cline Williams"). I make this Declaration based upon my own personal knowledge.

2. Prior to the petition date herein, the Debtors transferred farmland, cash and membership interests in Joysprings Properties, LLC to their adult children. Additionally, the Debtors amended the operating agreement for Z Brothers, LLC, to frustrate efforts to liquidate Alden Zuhlke's membership interest in the company.

3. Cline Williams represents Rabo Agrifinance LLC ("Rabo") in this bankruptcy case.

4. Cline Williams represents Rabo in litigation in the District Court of Antelope County, Nebraska, Case No. CI 20-83, where it obtained a charging order against the Debtors' transferable interests in Z Brothers, LLC, Diamond Z Farms, LLC, Bloomfield LLC, and Hartington, LLC.

5. Cline Williams also represents Rabo in Case No. CI 23-48, District Court of Antelope County, Nebraska which seeks a creditor's bill with respect to the Debtors' interests in Joysprings Properties, LLC, a promissory note dated January 7, 2022, that Derek and Kimberly Zuhlke executed and delivered to the Debtors in the amount of \$214,277.00, a promissory note dated December 12, 2016, in the original principal amount of \$190,000.00 that Darin Zuhlke executed and delivered to the Debtors, a promissory note dated July 20, 2023, in the original principal amount of \$50,779.54 that Darin Zuhlke executed and delivered to Joysprings Properties, LLC, an entity controlled by the Debtors, a promissory note dated April 20, 2022, in the original

principal amount of \$100,000.00 that Zuhlke Properties, LLC, an entity owned by Darin Zuhlke, executed and delivered to the Debtors, and a promissory note dated July 1, 2021, in the original principal amount of \$60,000.00 that Zuhlke Properties executed and delivered to the Debtors.

6. Cline Williams represents the Chapter 7 Trustee in Ad. Proc. 24-4011-BSK.

7. Rabo and the Chapter 7 Trustee learned that Lisa Zuhlke owns an interest in Sunshine Ranch Co., Inc., a closely held family corporation that owns, among other things, approximately 4,700 acres of farmland and pasture.

8. Rabo and the Chapter 7 Trustee believe that rents are owing to the bankruptcy estate by Derek Zuhlke and Dillan Zuhlke, the Debtors' children.

9. Rabo and the Chapter 7 Trustee also believe that the Debtors may have concealed property of the estate consisting of machinery, equipment, attachments, vehicles, and a camper trailer in rural Northeast Nebraska.

10. To the best of my knowledge and belief, Rabo is not adverse to the Chapter 7 Trustee, as Rabo and the Chapter 7 Trustee have agreed that they will coordinate their efforts to liquidate the property of the estate and that the Chapter 7 Trustee will hold and account for the proceeds of any property of the estate in which Rabo may have a lien or claim, subject to any such lien or claim. Rabo and the Chapter 7 Trustee have also reserved all rights, claims and defenses that they may have to property of the estate in which Rabo claims a lien or claim.

11. Cline Williams has conducted discovery and is familiar with the evidence surrounding the promissory notes owing by Darin Zuhlke or his entity, Zuhlke Properties, LLC.

12. To the best of my knowledge, and except as stated herein, neither Cline Williams nor any employee of Cline Williams represents an interest adverse to the Debtors or to the bankruptcy estate.

13. Cline Williams has no connection with the Debtors, any creditor other than Rabo or the Chapter 7 Trustee, or any other party-in-interest or their respective attorneys.

14. Cline Williams does not represent or hold an interest adverse to the Chapter 7 Trustee or the bankruptcy estate in the matters upon which it is to be engaged herein.

15. To the best of my knowledge, Cline Williams is a "disinterested person" as defined at 11 U.S.C. § 101(14).

16. Cline Williams will continue to seek compensation from Rabo at its standard hourly rates to prosecute claims that are reasonable or necessary to collect property of the estate.

17. The standard hourly rates of the Cline Williams professionals who will prosecute the Avoidable Transactions claims are as follows: Richard P. Garden, Jr.- \$425.00/hour; John V. Zimmer V.-\$325.00/hour; Diane M. Hilger-\$150.00/hour.

18. Rabo shall seek reimbursement for the fees it has paid to Cline Williams in connection with the collection of property of the estate from any recoveries made by reason of such claims, including any recovery made by the Chapter 7 Trustee in Ad. Proc. 24-4011-BSK.

19. The employment of Cline Williams is in the best interest of the bankruptcy estate.

I swear or affirm under penalty of perjury that the foregoing is true and correct.

Dated: April 25, 2025

*Richard P. Garden, Jr.*

Richard P., Garden, Jr.